

# Worker Retraining Program

## Program Details

The Worker Retraining program provides dislocated workers and the long-term unemployed with access to job retraining for a new career. Program enrollments vary from year to year in response to layoffs and, during recessions, the need increases. The industries from which students are laid off also vary over time.

About five percent of worker retraining students receive their training at private career schools. This evaluation, however, is limited to training at community and technical colleges. The colleges provide training in occupational skills and basic skills and literacy. Students qualifying may receive financial assistance to help with their tuition.

## Participant Profile

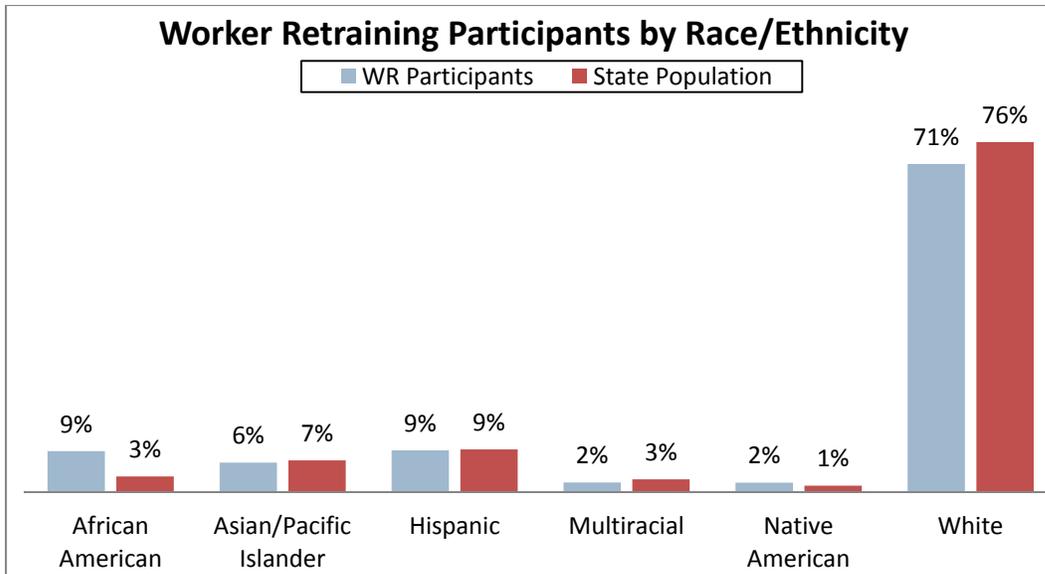
For this report, researchers studied the results of 5,266 Worker Retraining students who completed or otherwise left a community or technical college program during the 2007-2008 school year. The median length of enrollment for these students was nine months.

The racial and ethnic composition of Worker Retraining students roughly reflects the general population in Washington for Hispanics, and Asian/Pacific Islanders. African Americans and Native Americans are represented at a greater percentage than the general population and whites at a slightly lower percentage.<sup>1</sup> The completion data reflects a slightly greater percentage of Asians and whites who complete programs than other ethnic groups.

*Every two years, the Workforce Board measures the performance of key workforce programs. In this report, you'll find out more about the program and who is served, the metrics used to measure performance and how the program performed.*

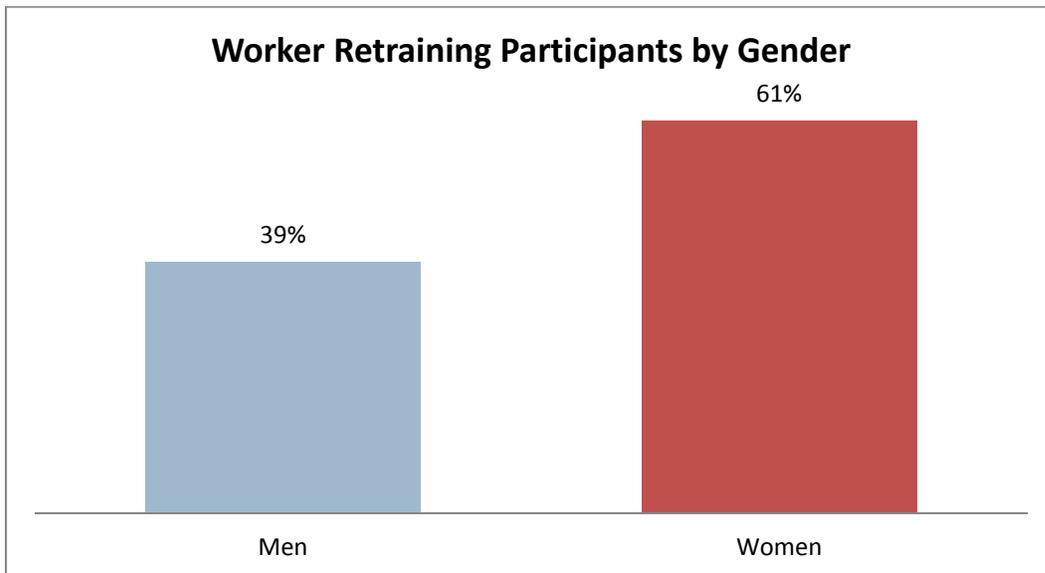
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<sup>1</sup> In this report, unless otherwise stated, racial and ethnic minority groups are mutually exclusive; that is, an individual belongs to one group only. The groups include the following: Hispanics of any race (also referred to as Hispanics); non-Hispanic African Americans (also referred to as African Americans); non-Hispanic Asians/Pacific Islanders (also referred to as Asians/Pacific Islanders); non-Hispanic Native Americans and Alaskan Natives (also referred to as Native Americans); non-Hispanic multiracial (also referred to as multiracial); and non-Hispanic whites (also referred to as whites). According to the 2008 *U.S. Census Estimates*, 77 percent are whites; 3 percent are African Americans; 1 percent are Native Americans; 7 percent are Asians/Pacific Islanders; 3 percent are multiracial; and 9 percent are Hispanics.



Source: Community and Technical Colleges Administrative Data.

Among the 2007-2008 worker retraining students, 61 percent were women; this is an increase of 2 percentage points from the 2005-2006 students. Of the 2007-2008 completers, 50 percent were women, a decrease of 11 percentage points from 2005-2006.



Source: Community and Technical Colleges Administrative Data.

When they enrolled in the program, 43 percent had not previously attended college, 24 percent had attended college without receiving a credential, 15 percent had received a certificate or associate's degree, and 11 percent had received a baccalaureate or higher degree. The median age at the start of the last quarter of the program was 43 years; one in four participants was over age 50.

## **State Core Measures: Tracking Worker Retraining Progress**

The Workforce Board routinely measures the performance of our state's largest workforce programs. As a customer-focused advocate for Washington's workers and employers, the Workforce Board strives to provide performance accountability, verifying whether worker education and training programs provide a return on investment for participants and taxpayers.

Workforce Training Results seeks answers to five core questions:

- Did participants get the skills they needed?
- Did they get a job and how much were they paid?
- Were employers satisfied with the preparation workers received?<sup>2</sup>
- Has the program made a difference in the participant's success?
- Did participants and the public receive a return on their investment?

### **Data Comes From State Wage Files**

The 2010 Workforce Training Results includes information obtained from Employment Security Department wage files in Washington, Idaho, and Oregon, and federal employment records for 2008-2009. Data used in the Net Impact Study also reached back to 2006-2007 employment records, to help assess trends over a slightly longer time frame.

### **Net Impact Study Adds More Insight into Program Performance**

This year's report includes a comprehensive Net Impact Study. Conducted every four years, this study provides a head-to-head comparison of participants and non-participants to help answer a central question: How much of a workforce participant's success in obtaining a job, or a higher wage, is due to the workforce program? By comparing program participants with similar individuals who did not participate in a workforce training program, the Net Impact Study indicates whether employment and earnings gains are due to the workforce program, or if workers could have made this progress on their own. This research also allows for a more detailed analysis as to whether the participant and the public received a return on their investment in the program.

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<sup>2</sup> Workforce Training Results usually includes a survey that measures the satisfaction of workforce participants, in addition to employers. The survey was not conducted this time because of budget constraints.

## Did Participants Get the Skills They Needed?

As a measure of whether participants got the skills they needed, this study tracks the credentials and degrees earned by participants. Among those leaving a Worker Retraining program in 2007-2008:

- 15 percent received an associate's degree.
- 13 percent received a certificate.
- 4 percent received another type of credential.

Another 18 percent were defined as completers because they completed 45 or more credits or a unique (non-degree) program.

Altogether, half of all participants completed their program. This completion rate is lower than the 61 percent for those who left Worker Retraining programs in 2005-2006 when 24 percent received an associate's degree, 16 percent received a certificate, and 20 percent were defined as completers because they completed 45 or more credits or a unique (non-degree) program.

## Did Participants Have a Job and How Much Were They Paid?

To find out whether participants had jobs and how much they earned, participant records were matched with Employment Security Department wage files from Washington and neighboring states.<sup>3</sup> The study looks at employment and earnings three calendar quarters after the participant left a Worker Retraining program. Record matches found that 69 percent of the 2007-2008 students had reported employment during the third quarter after they left their program, slightly lower than that reported in 2005-2006. Their median hourly wage<sup>4</sup> was \$16.01, and they had median annualized earnings of \$29,132.<sup>5</sup> Program completers were more likely to be working full time and had higher earnings and hourly wage rates than those who did not complete their training programs.

*Turn to page 10 for the Net Impact Study. Conducted every four years, this in-depth report adds extra value to 2010 Workforce Training Results. The study provides a side-by-side comparison of participants vs. similar non-participants, answering the question of whether the program is making a difference.*

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<sup>3</sup> These files contain quarterly earnings and hours worked information on those individuals with employment reported for unemployment insurance (UI) benefits purposes (approximately 90 percent of in-state employment, with self-employment, active duty military, and those working for religious nonprofit organizations being the major groups of employers not included).

<sup>4</sup> All wages and earnings are stated in 2009 Q1 dollars.

<sup>5</sup> To derive annualized earnings, third quarter earnings are multiplied by four. Quarterly earnings are the result of hourly wage rates and the number of hours worked in a calendar quarter.

## 2007-2008 Program Year Performance for Worker Retraining

Performance Measure	Results
Employment Rate*	69%
Percentage Employed Full Time**	67%
Median Annualized Earnings	\$29,132
Median Hourly Wage***	\$16.01
Hours Worked Quarterly (Median)	468 hours

*\*These figures apply to those with employment reported to Employment Security Department six to nine months after leaving program. Rate does not include self-employment, employment outside the Northwest or military service and thus understates total employment by approximately 10 percent. \*\*Full-time employment averages 30 or more hours per week. \*\*\* Earnings/wages expressed in first quarter 2009 dollars.*

To put earnings in context, the median number of dependents Worker Retraining participants were able to support at the poverty level after leaving the program in 2007-2008 was 5.9 people. At the 200 percent of poverty level, it was two people.<sup>6</sup>

## Self Sufficiency Level for Worker Retraining – Previous Years

Performance Measure	2001-2002	2003-2004	2005-2006	2007-2008
Household size-poverty level	4.8	5.0	5.7	5.9
Household size-poverty level at 200 percent	1.4	1.6	1.9	2.0

The next table shows employment and earnings information over four study periods.

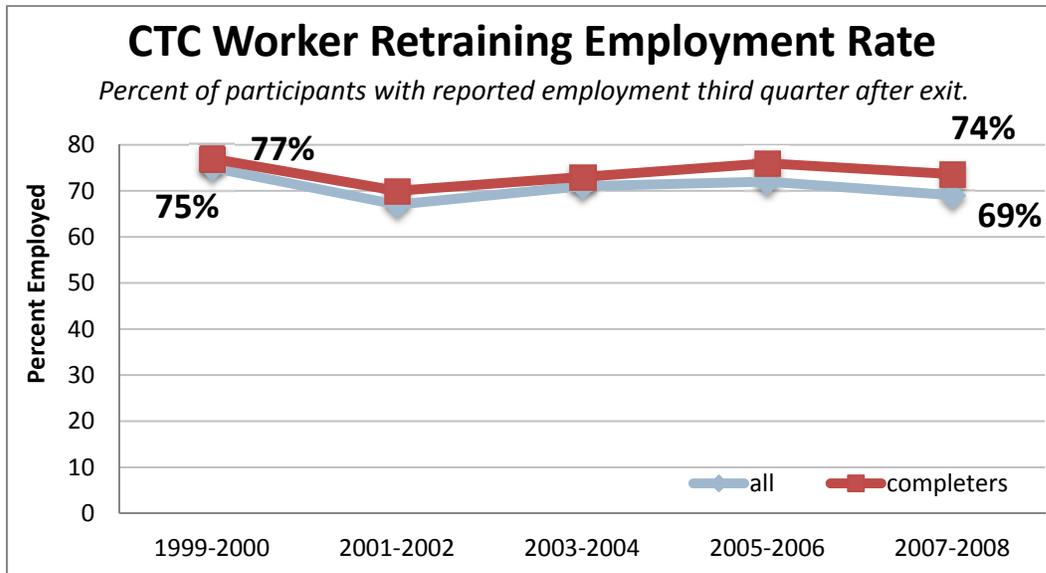
## Program Performance for Worker Retraining – Previous Years

Performance Measure	2001-2002	2003-2004	2005-2006	2007-2008
Employment Rate	67%	71%	72%	69%
Percentage Employed Full Time*	61%	65%	65%	67%
Median Annualized Earnings	\$24,945	\$25,960	\$28,308	\$29,132
Median Hourly Wage	\$14.69	\$15.08	\$15.89	\$16.01
Hours Worked Quarterly (Median)	455	467	468	468

*\*Full-time employment averages 30 or more hours per week. \*\*Note: These figures apply to those with employment reported to state employment agencies six to nine months after leaving the program. Rate does not include self-employment, employment outside the Northwest or military service and thus understates total employment by approximately 10 percent. Earnings/wages expressed in first quarter 2009 dollars in order to control for inflation.*

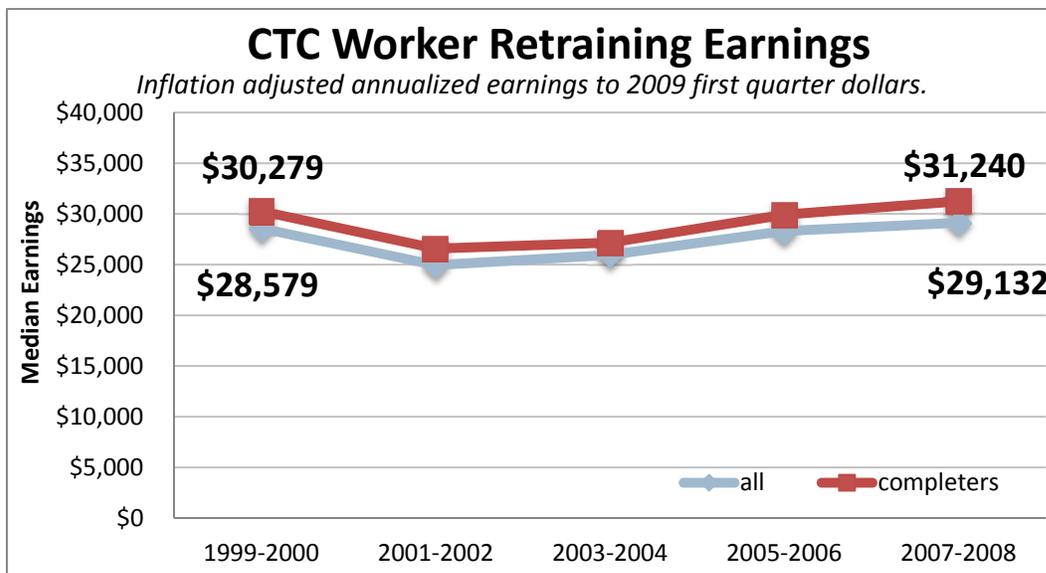
<sup>6</sup> In 2009, the poverty level for one person was \$10,830 per year. The 200-percent-poverty level that year was \$21,660 for one person.

Since 1999, employment rates have varied with changes in the economy, going down during recessions.



Source: Workforce Training Results 1999-2008.

Earnings, however, have shown steady increases since 2001-02.



Source: Workforce Training Results 1999-2008.

Wages continues to be widely distributed across Worker Retraining students. While one quarter earned more than \$23 an hour, another quarter had jobs that paid less than \$12 an hour. This wide distribution of wages is reflected in the dispersion of employment across higher and lower-wage industries.

While slightly over half of those employed were in service industries, considerable percentages were in manufacturing, retail trade, construction, and public administration.

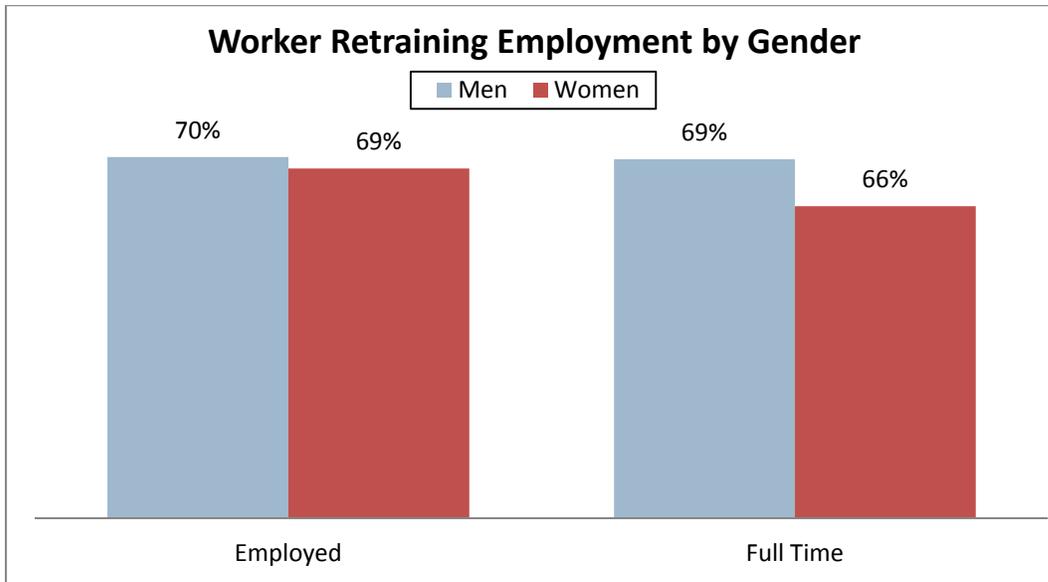
<b>Worker Retraining Employment by Industry</b>	
<b>Industry Group</b>	<b>Employment</b>
Services (See breakout below)	53.2%
Manufacturing (See breakout below)	9.9%
Retail Trade	8.6%
Construction	7.4%
Public Administration	6.0%
Transportation and Warehousing and Utilities	5.0%
Financial Services	4.6%
Wholesale Trade	3.2%
Information	1.3%
Natural Resources and Mining	0.7%
<b>Breakout of Services</b>	
	<b>Employment</b>
Professional, Scientific, and Technical Services	5.6%
Administrative and Support and Waste Management and Remediation Services	9.4%
Education Services	6.5%
Health Care	17.8%
Social Assistance	3.9%
Arts, Entertainment, and Recreation	2.3%
Accommodation and Food Services	4.1%
All Other Services	3.7%
Subtotal of Services	53.2%
<b>Breakout of Manufacturing</b>	
	<b>Employment</b>
Food & Beverage	1.5%
Wood & Paper Products	0.9%
Fabricated Metal Products	0.9%
Aerospace	2.8%
All Other Manufacturing	3.9%
Subtotal of Manufacturing	9.9%

*Note: Industry groups based on North American Industry Classification System codes.*

*Source: Matches with Employment Security Department data in third quarter after exiting program.*

## Wages and Employment Results Vary by Population

Employment and earnings varied by gender, race and ethnicity, and disability status. Females were about as likely as men to be employed in the third quarter after leaving the program. Women were slightly less likely to be working full time; 66 percent held full-time jobs in 2008-2009 vs. 69 percent of men. This was an increase from 2005-2006, when 61 percent of women worked full time compared with 71 percent of men. However, the hourly wage for women was 80 percent of males (\$14.89 versus \$18.49).



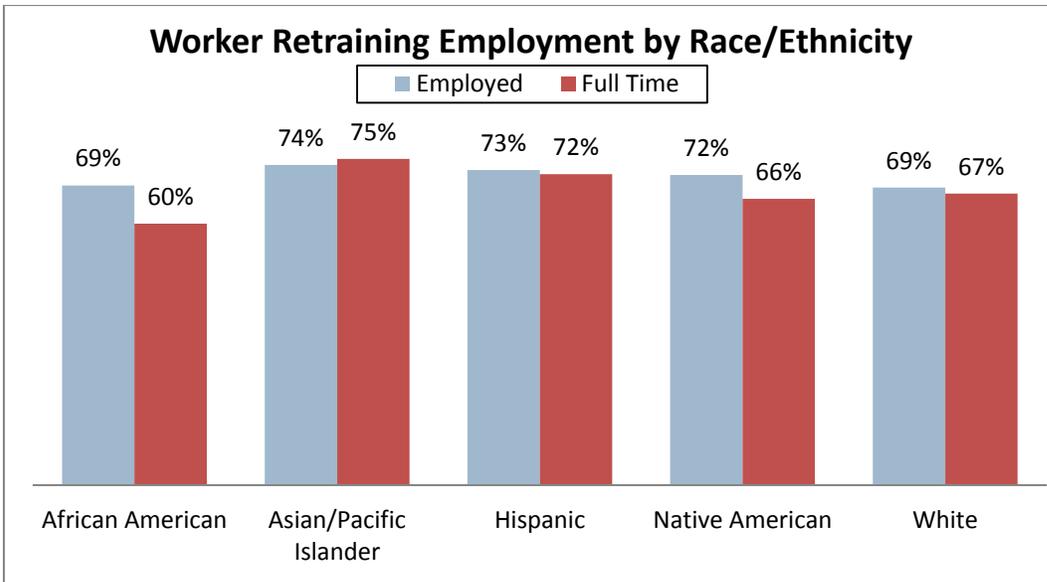
Source: Community and Technical College Administrative Data , Data Linking for Outcomes Assessment (DLOA)

Note: The percentage employed and percentage full-time are calculated from different bases. The percent employed is percent of all participants; the percent full-time is percent among those employed.

## Race/Ethnicity Plays Role

Minorities were more, or just as, likely to be employed as whites during the third quarter after leaving the program. While African Americans were less likely to be working full time than whites (60 percent versus 67 percent), Asians/Pacific Islanders and were more likely than whites to be working full time (75 percent vs. 67 percent.)

The median hourly wage for Hispanics was 94 percent of wages paid to whites and for African Americans it was 93 percent of wages paid to whites—an improvement from 2005-2006 when it was 89 percent for both groups. Native Americans earned 12 percent more than whites; and Asians/Pacific Islanders earned 3 percent more than whites.

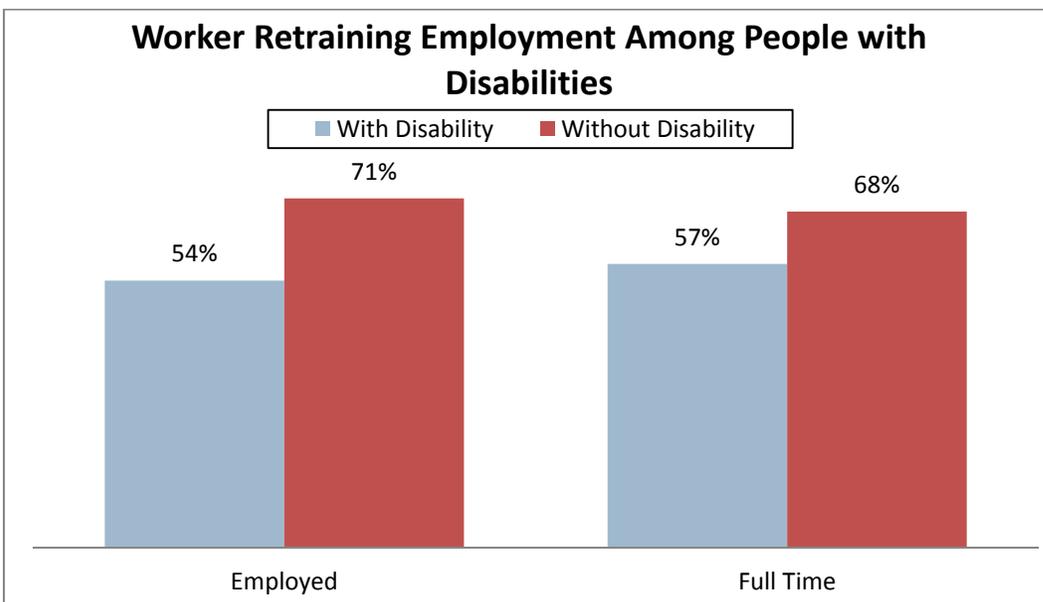


Source: Community and Technical College Administrative Data (DLOA)

Note: The percentage employed and percentage full-time are calculated from different bases. The percent employed is percent of all participants; the percent full-time is percent among those employed.

### Disability Impacts Employment, Earnings

Earnings and employment outcomes also varied by disability status. College records suggest 9 percent of the Worker Retraining students included in this study had a disability. These students were less likely to have employment reported to the Employment Security Department during the third quarter after exit (54 percent versus 71 percent) and were less likely to be employed full time (57 percent versus 68 percent). Among those working, the median hourly wage rate of those with a disability was 87 percent of those without a disability.



Source: Community and Technical College Administrative Data (DLOA)

## Net Impact - Did Program Make a Difference in Participant Success

Every four years the Workforce Training and Education Coordinating Board conducts net impact and cost-benefit analyses of workforce development programs. This detailed study compares participants and non-participants. The net impact part of this study attempts to measure whether the program made a difference in the participant's success.

Washington is the only state to periodically conduct rigorous net impact evaluations of its workforce programs.

*The Worker Retraining program has positive net impacts on employment and wages.*

The net impact analysis was conducted by the W.E. Upjohn Institute for Employment Research (Upjohn), a national leader in evaluating training programs. To do the analysis, Upjohn studied program participants to see what results they achieved and compared these results with a control group. Individuals who participated in a Community or Technical College Worker Retraining program were compared to individuals who had similar demographic characteristics, but who did not participate in any of the programs included in the study. The comparison group members were selected from among those who registered with WorkSource, Washington's one-stop career center system.

The most recent analyses examined the experience of participants who left programs during the 2005-2006 and 2007-2008 program years.

**Short-term net impacts:** Individuals who exited in Program Year 2007-2008.

**Longer-term net impacts:** Individuals who exited in Program Year 2005-2006.

### Impact on Employment and Earnings: Participants vs. Control Group

Community / Technical College Worker Retraining	Short-term	Long-term
Net Employment Impact	8.80 percentage points	7.50 percentage points
Net Hourly Wage Impacts	No significant positive impacts	\$1.00
Net Hours Employed per Quarter Impacts	26.6	23.5
Annualized Earnings	\$1,612	\$2,754

Percentages listed are employment percentage points above those of the control group of non-participants. Dollars listed are the average annual earnings difference between Worker Retraining participants who got jobs and those in the control group who were employed. Earnings and wages are in 2009 Q1 dollars.

As can be seen above, the Worker Retraining Program had a positive impact on employment, hours worked and annualized earnings. The long-term net impacts on hourly wages were also positive among Worker Retraining participants versus the control group.